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ABSTRACT

The current status and problems of the voluntary nonprofit sector in American society, the development of voluntary associations and accrediting activities, and changing relationships between the federal government and the voluntary sector are examined, as are varied types of organizations and brief case studies. The current status of the voluntary nonprofit sector varies with the type of group involved, but overall it appears to be growing. Types of nonprofit organizations, and six types of organizational units that represent all types of social, economic and governmental institutions are identified. The following three case studies illustrate the importance of background information in determining the way varied goods and services may be provided: The United States Postal Service, private foundations, and the American Telephone and Telegraph Company. Events that affected the development of voluntary educational associations and the service of accreditation offered by these organizations are addressed. Relationships between the federal government and the voluntary sector have changed significantly since educational accrediting started. Many social and cultural needs that first began as charity or as social causes now are primarily or completely paid for by government. While government money is needed, it brings with it less immunity to political processes and priorities. It is proposed that voluntary nonprofit accreditation has become a high quality and low cost way for state and federal governments to establish the educational quality of institutions. (SW)

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An Occasional Paper

VOLUNTARY ORGANIZATIONS

in America and the development of

EDUCATIONAL ACCREDITATION

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PREFACE

Throughout his career as university president, as head of a national association, and as professor of higher education, Dr. Fred F. Harcleroad has nourished a strong, continuing interest in the subject of "volunteerism." Rarely since de Tocqueville has anyone been so fascinated with the many ways people in the United States have found to organize themselves into various groupings in order to pursue special interests and to accomplish common objectives, which generally inure to the public welfare.

Our country's long standing official policy of commitment to voluntary organizations was recently strongly reaffirmed by the National Commission on Private Philanthropy and Public Needs. It stated that:

> "The practice of attending to community needs outside of government has profoundly shaped American society and its institutional framework. . . . It reflects a national belief in the philosophy of pluralism and in the profound importance to society of individual initiative."

While such a grand view of voluntary organizations in America may be breathtaking for many of us working in postsecondary accreditation, it does represent the common legacy we share. A look at the "big picture" offers many insights into why we do certain things certain ways in accreditation.

In this context, it is true that educational accreditation has been a subject of particular interest to Dr. Harcleroad. No armchair scholar of accreditation, he has served as a team evaluator, a commission member, or as a consultant to many accrediting agencies and has published much basic research in the area, including an earlier issue of this series: "Educational Auditing and Accountability."

Dr. Harcleroad is, thus, especially well qualified to examine the unique American phenomenon of accreditation as a nongovernmental, voluntary enterprise. The Council on Postsecondary Accreditation is pleased to be able to bring this thoughtful, informative dissertation to the many readers of its Occasional Papers.

Charles M. Chambers
Acting President
Council on Postsecondary
Accreditation

THE AUTHOR

Fred F. Harcleroad is Professor of Higher Education and formerly founding Director in the Center for the Study of Higher Education of the University of Arizona. He has previously served as President of the American College Testing Program; as founding President of the California State University at Hayward; as visiting professor at six major universities; and as academic dean and/or professor at San Jose State University, the University of Iowa, and San Diego State University. In the accreditation area, he has served as a member of the Board of Directors of the Western Association of Schools and Colleges; as chairman of the Accrediting Commission of the National Home Study Council; and as a consultant, speaker, chair, or member of accrediting teams for twelve associations involved in accreditation. His previous writings on accreditation include a research report (with Frank Dickey) for the ERIC Clearinghouse on Higher Education and a paper on Educational Auditing and Accountability for the Council on Postsecondary Accreditation.

The perceptions and recommendations expressed in this paper are solely those of the author, and do not necessarily represent the viewpoints or policy position or direction of the Council on Postsecondary Accreditation.

THE VOLUNTARY SECTOR

BACKGROUND

Voluntary associations typify the American way of solving new social problems, and the impact of such organizations has been felt since the very beginnings of our nation. The Judeo-Christian traditions of personal giving, compassion, love, and sacrifice which were brought by the early colonists,[1] along with the Reformation's ideals of religious liberty and freedom of association, encouraged such activities. In addition, the long history of operation through various types of voluntary associations in England made it a logical development in the colonies and then in the United States.[2] The religious dissenters who colonized America depended strongly on voluntary associations as they established new social structures. Their extensive use by the 1830's was graphically described by Alexis de Tocqueville in one of his most famous observations of the American scene:

> *Americans of all ages, all conditions, and all dispositions constantly form associations. They have not only commercial and manufacturing companies, in which all take part, but associations of a thousand other kinds, religious, moral, serious, futile, general or restricted, enormous or diminutive. The Americans make associations to give entertainments, to found seminaries, to build inns, to construct churches, to diffuse books, to send missionaries to the antipodes; in this manner they found hospitals, prisons, and schools. If it is proposed to inculcate some truth or to foster some feeling by the encouragement of a great example, they form a society. Wherever at the head of some new undertaking you see the government in France, or a man of rank in England, in the United States you will be sure to find an association.*[3]

Along with such widespread participation in voluntary organizations, those individuals who created our federated republic established a unique form of constitutional government with very detailed separa-

tion of powers. They feared strong statist-oriented central government and created the Tenth Amendment which clearly established the states as governments with "general" powers. They provided the federal government with "limited" powers specified in the Constitution. Since "education" is not included in the "delegated" powers, it has been, and is, reserved to each of the states and to their citizens. In addition, the First Amendment reserves to the people the right to assemble peaceably, to petition the government for redress of grievances, and to enjoy freedom of speech in these and any other activities. These citizen rights and the balance or separation of powers have made voluntary associations possible and a very important part of our society.

In order to provide for the goods and services needed by our citizens, a pluralistic and diverse economy has grown up also. American society has organized itself into three sectors to provide goods and services for both "collective consumption" or "private" use. The first, the private enterprise sector, composed of profit-seeking business and commerce, provides much of the excess wealth which sustains the other two. The second, the public enterprise sector, is composed of local, state, and national governments which secure much of their wealth from taxes. The third, the voluntary enterprise sector, is composed of all the independent non-profit associations which supplement or affect the other two sectors.[4]

This pluralistic system fits very well with the "balance of powers" concepts of our federal and state constitutions and with their differing allotments of powers to the executive, legislative, and judicial branches, and, in the states, to a fourth area, the educational branch. It likewise corresponds to the separation of powers among citizens, state governments, and the federal government.

In this pluralistic society, either the individual states or the voluntary third sector have been charged with all educational matters, including educational accreditation. Soon after the founding of the nation, in 1784, the state of New York took the first steps toward the "accreditation" of colleges and universities. In that year it established the Regents of the University of the State of New York, a corporate body to "charter, endow and control" higher educational institutions in the state, as well as elementary and secondary schools, museums, and libraries. The Regents were required to visit them regularly and to maintain adequate standards.[5] The Regents in turn have required regular reports, have themselves reported regularly to the Legislature and have accredited (registered) all institutions under their control to this date.

Most of the other states, however, did not establish such an agency and left any controls to legislative action. Finally, in the 1870's and 1880's the need became critical for stronger academic standards and institutional evaluation of the rapidly expanding secondary schools and colleges. The typically American solution was to establish new voluntary membership associations to address the problem. Between 1885 and 1895 such organizations grew up in most of the country, with

the Pacific Coast following during the period after World War I.[6]

In the seven to ten decades since that time, voluntary accrediting has come to be used by the entire framework of our society, including the private enterprise sector, the public enterprise, governmental sector and other parts of the voluntary enterprise, non-profit sector. Tension at different levels of strain has existed constantly among these three sectors, with varying pressures on their various component parts. As problems develop and needs change, the evaluations of various types of institutions have led to adjustments and to the modification of their relationships. Since the 1930's, the expansion of the public governmental sector has materially affected the other two sectors, particularly voluntary organizations. Marts[7] has emphasized the effects:

> *. . . from 1933 to 1953, the Federal Government boldly took over responsibility for a great many programs of social betterment that had previously been assumed by voluntary philanthropy, or had been the responsibility of local government. Congress levied new federal taxes . . . for the financing of newly assumed social responsibilities. We began to be known as a "welfare state." In addition, Washington proposed to take over other large responsibilities in the fields of education and health. . . . The danger in American life in our generation is . . . that centralized government may so strengthen itself and reach so deeply into the life of the local community that eventually the private citizen will feel little responsibility for what happens in his own neighborhood.*

Between 1953 and 1980, this trend has continued and inflated even though formal voluntary organizations have expanded in number and still constitute a significant force. Voluntary accreditation has performed such a vital role in creating and maintaining educational standards that it has grown at a very rapid rate. However, its use by all types of enterprise, particularly federal and state governments, has tended to modify its functions and caused changes in its structures and operations. Changes in relationships between the three sectors tend to affect each component part, and accrediting associations could well be influenced significantly by future altered relationships between the entire voluntary sector, the business sector, and the governmental sector.

To provide further perspective on the current heated debate about expanded government effect on the voluntary sector, including accreditation, this paper will synthesize briefly the following areas:

- The current status and problems of the voluntary enterprise, non-profit sector in American society;
- Appraisal of varied types of organizations, with brief case studies;
- The development of accreditation in the voluntary, non-profit sector; and
- Voluntary enterprise and changing federal relationships.

The paper will end with some brief conclusions and recommendations regarding current needs and possibilities in the field of accreditation.

PAST STATUS

The voluntary sector, as a method of "getting things done," preceded many current governmental and business forms. In both England and the United States ". . . the first corporations were chartered primarily for charitable and religious purposes." Through much of the 19th century ". . . these early corporations were created by special acts of legislatures," a far more involved process than the simplified 20th century methods.[8] Weisbrod, quoting W. K. Jordan, notes similarly that voluntary organizations did ". . . precede governmental provision historically . . ." and that ". . . in 16th century England . . . private philanthropies (voluntary organizations) were providing funds for such wide-ranging public, collective activities as schools, hospitals, non-toll roads, fire fighting apparatus, public parks, bridges, dikes and causeways, digging of drainage canals, waterworks, wharves and docks, harbor cleaning, libraries, care of prisoners in jails, and charity to the poor.[9] As recently as the turn of the century, foundations or non-profit agencies such as the Smithsonian Institution, the Carnegie Foundation of Washington, and the Boy Scouts of America were established by the U. S. Congress. It is important to emphasize that these voluntary organizations were established before corporate or personal income taxes became legal ways for raising government funds. As federal, state, and local governments were granted power to collect additional taxes, governmental activities expanded into areas which had been started and still carried on by voluntary associations. In fact, government costs to duplicate or replace services of voluntary organizations often are much higher that at times government agencies (1) pay part of the costs of these organizations to keep their low cost features operating, (2) use the results of their work without paying for it, or (3) contract with voluntary organizations for their more efficiently delivered services.

CURRENT STATUS

The current status of the voluntary non-profit sector varies with the type of group involved, but overall it appears to be growing. The breadth and variety of these organizations, and their constant volatility, make an accurate assessment extremely difficult. The enormous variety is particularly apparent when considered from a legal-tax viewpoint. Since 1909 when the Corporation Excise Tax was passed there have been provisions in the income tax law exempting from income taxation nonprofit corporations and trusts that are engaged in charitable, educational, religious or scientific endeavors. Through the years other types of organizations have been added, so that today there are some 20 separate, loosely described categories of organizations enumerated in Section 501 that can qualify for exemption.[10]

At the present time, in addition to private foundations, there are four specified types of tax-exempt organizations in Section 501 (c) (3) of the Internal Revenue Code:

- A church, school, hospital, or medical research organization.
- An organization normally receiving more than one-third of its annual support from members and the general public and not more than one-third of its annual support from investment income, such as symphony societies, garden clubs, alumni associations, Boy Scouts, and parent-teacher associations.

• An organization created and operated exclusively for the benefit of one or more of the organizations described above, provided that is controlled by the latter, such as religious organizations other than churches, and organizations created and operated for the benefit of a specific school and also controlled by that school, such as university presses.

• Organizations created and operated exclusively for testing for public safety.[11]

In addition to these basically tax-exempt organizations there are individual human support groups (such as Alcoholics Anonymous), self-help, activist organizations (such as Neighborhood Watch Program designed to organize volunteers to help reduce burglaries or arson), and non-profit trade, business, and commercial organizations. **Table 1** shows the wide range of organizations listed in each of these seventeen categories. (Table 2 from Weisbrod, 1977, as adapted from Gale's **Encyclopedia of Associations,** 1975.)

The diversity of the non-profit sector makes accurate data difficult to assemble. Bradley Graham, in the **Washington Post,** aptly described it as ". . . one of the least charted regions of American Society."[12] The most complete available study of this "Third Sector" was carried on by the Commission on Private Philanthropy and Public Needs in 1973-1975 (the Filer Commission). The Commission's final report, **Giving In America,** provides the following impressive estimated figures:

• According to recent extrapolations, there may be as many as 6 million organizations in America's voluntary sector . . .

• One out of every ten service workers in the United States is employed by a nonprofit organization, as is one out of every six professional workers. One ninth of all property is owned by voluntary organizations. The voluntary sector accounts for over $100 billion in money and other resources annually.

• Nearly six billion womanhours and manhours of volunteer work were contributed to nonprofit organizations in 1973, the survey indicates, and the total value placed on this contributed labor is another $26 billion.

• Where does the giving go? . . . The estimated breakdown of giving in terms of ultimate recipient, in 1973, was: religion, $10.28 billion; education, $4.41 billion; health, $3.89 billion; social welfare, $2.07 billion; arts, humanities, civic and public causes, $1.67 billion; and all other, $3.19 billion.

• In 1960, private giving amounted to one ninth of expenditures by all levels of government (not counting defense spending); in 1974, giving added up to less than one fourteenth of government spending.[13]

Obviously, the non-profit sector made up of millions of voluntary organizations contributes significantly to the totality of American society. Accreditation of colleges and universities is only one of these many varied activities. It has operated within this voluntary context, however, for almost a century. As the society continues to depend on such associations for discrete, essential services, voluntary accreditation will be a small but vital part of the nation's educational enterprise.

TABLE I

Types of Nonprofit Organizations

Agricultural Organizations and Commodity Exchanges

Agribusiness, animal breeders, conservation, forestry, fruit and vegetable growers, livestock and poultry producers, nurseries, research

Legal, Governmental, Public Administration, and Military Organizations

City, county and state administration, civil defense, employment security, federal government, housing and redevelopment, legal and legislation, planning, police, property rights, taxation

Scientific, Engineering, and Technical Organizations

Aerospace, anthropology, architecture, astronomy, behavioral sciences, biology, botany, chemistry, ecology, electronics, environmental quality, genetics, geology, information processing, meteorology, nuclear physics, oceanography, paleontology, parapsychology, phenomena, population, psychology, standards, water resources

Educational Organizations

Accreditation, administration, admissions, adult education, alternative education, black students, business education, cooperative education, counseling, curriculum, data education, drop-outs, evening students, extension education, financial aid, foreign students, gifted children, graduate schools, humanities, independent colleges and schools, industrial arts education, integration, international exchange, junior colleges, library education, placement, play schools, research, retired teachers, scholarship, sex education, special education, technical schools, testing, urban schools

Cultural Organizations

Includes aesthetics, American studies, antiquities, architecture, art, artists, arts and letters, authors, black culture, books, broadcasting, comic art, composers, crafts, dance, esperanto, folklore, history, human development, Indian art and history, librarians and libraries, medieval studies, motion pictures, museums, music, philosophy, poetry, theatre, world notables

Social Welfare Organizations

Abortion reform, adoption, aging, alcoholism, anti-poverty, community action, correction, crime and delinquency, drug abuse, employment, family life, handicapped, homosexuality, housing migrant workers, planned parenthood, recreation, relief, safety, self-help, sex information, service clubs, social work, suicide prevention, volunteerism, youth services

Health and Medical Organizations

Allergies, blindness, blood disorders, cancer, child health, deafness, dentistry, dermatology, donor programs, health insurance, hospitals, hypnosis, mental health, nursing, obstetrics, occupational medicine, osteopathy, pathology, pharmacy, psychiatry, public health, radiology, rehabilitation, surgery, technology, therapy, veterinary science

Public Affairs Organizations

Captive nations, citizenship, civil rights, community development, consumer affairs, economics, free enterprise, human rights, international relations, peace movements, political parties, refugees, special days, United Nations, world affairs

Fraternal, Foreign Interest, Nationality, and Ethnic Organizations

Religious Organizations

Catholicism, ecumenism, evangelism, Judaism, missions, Protestantism, religious education, religious reform, science and religion, spiritualism

Veteran, Hereditary, and Patriotic Organizations

Genealogical organizations

Hobby and Avocational Organizations

Collectors and restorers, craftsmen, gardeners, gourmets, numismatists, pet breeders, philatelists, treasure hunters

Athletic and Sports Organizations

Archery, badminton, baseball, basketball, boating, bowling, boxing, camping, curling, fencing, fishing, golf, hockey, horse racing, lacrosse, rodeo, rowing, skating, skiing, soccer, squash, surfing, swimming, tennis, track, trail riding, underwater exploration, volleyball, wrestling

Labor Unions, Associations, and Federations

Chambers of Commerce

National, bi-national, and international

Greek Letter Societies

Federations and associations, Greek letter and non-Greek letter organizations (social, professional and honorary)

APPRAISAL OF VARIED TYPES OF ORGANIZATIONS

The three-sector classification of our social and economic institutions must be broken down further into six organizational types for analysis of their historical placement in a given sector and the controls exerted over each type. The continuing determination of the effectiveness of various organizations and the movement of functions from one type to another is critical. Thus, various appraisal plans or systems of evaluation for each are important to understand. The six types of organizational units can be delineated somewhat simplistically as follows:

1. **Governmental enterprise** (either state or federal), often a monopoly and uncontrolled except by legislative committee investigation and appropriations or court action (such as the U. S. Department of Defense or the Federal Aviation Authority).
2. **Government enterprises** (either state or federal), controlled by a form of regulatory commission or special board (such as the U. S. Postal Service, the Tennessee Valley Authority or the Port of New York Authority).
3. **Nonprofit, nongovernmental voluntary organizations** which are taxed and reviewed by government although they operate in the public interest, provide needed goods and/or services, and usually are voluntary in nature (private foundations such as the Ford, Johnson, and Rockefeller Foundations or the Lilly Endowment).
4. **Nonprofit, nontaxed, nongovernmental voluntary organizations** operated in the public interest, and providing needed goods and/or services (such as the American Red Cross or the Council on Postsecondary Accreditation).
5. **Private enterprise essentially controlled by a regulatory commission** which reviews market forces and establishes prices and rates to provide limited but regular profits (such as units of American Telephone and Telegraph, Commonwealth Edison, or similar public utilities).
6. **Private enterprise primarily controlled by market forces** but increasingly affected by rulings of regulatory commissions and federal controls of business operations (such as General Motors, Safeway Stores, or most of the **Fortune** 500).[14]

Most private colleges, universities, and accrediting associations fall in group four unless they have income from "unrelated business enterprises."[15] In that case they become part of group three. Proprietary, profit-seeking, tax-paying educational institutions belong in group two because they are subject to rulings of the Federal Trade Commission. The federal service academies belong in group one, but they have voluntarily requested evaluation by group four-type accrediting associations for the recognition and membership that results. For example, the U. S. Naval Postgraduate School is an accredited member of the Western Association of Schools and Colleges; and the Air Force's Extension Course Institute, the Army Institute for Professional Development, and the Marine Corps Institute (with almost 700,000 correspondence students among them) are accredited members of the National Home Study Council. Similarly, many proprietary institutions in group two are accredited members of such group four associations as the National Association of Trade and Technical Schools or the Association of Independent Colleges and Schools.

CASE STUDIES

These few examples illustrate the pervasive nature of accreditation and some of the inter-relationships between the six organizational types. Historical precedent and changing conditions also affect the location of various organizations within the framework. The three case studies which follow illustrate the importance of such background in determining the way varied goods and services may be provided. The three brief case descriptions presented are (1) the postal service from group 2; (2) private foundations from group 3; and (3) the American Telephone and Telegraph Company from group 5.

The United States Postal Service

Postal or courier services started as early as the time of the Persian empire to carry official government reports and edicts. Until recent centuries, most countries restricted their services to imperial or royal mail and thus each was a totally controlled governmental monopoly. In 1710 the British Parliament established a truly national postal system, which included Scotland, Ireland, and the American Colonies. In America, this replaced an earlier private contract for "monthly mail: from New York to Boston" and other postal services provided by contracts or patents let by various colonies. Benjamin Franklin served as postmaster for Philadelphia from 1737-1753 and was the Crown's Deputy Postmaster General for the Colonies from 1753-1774. With the start of the American Revolution the Continental Congress on July 25, 1775, assumed the power to establish post offices and postroads and appointed Franklin as its first chief.[16] Thus, the U.S. Postal Service has been, since its beginnings, and until recently, a government enterprise (type 1), although it is sometimes a monopoly contract service.

During the first two decades of the nineteenth century debates took place over such items as commission rates and over the use of government-owned vehicles. The Act of March 3, 1825 increased federal influences through even more explicit centralization of government control. In 1827, the post office acquired its own identity as an executive department, and was no longer a part of the Department of Treasury. During the third decade of the nineteenth century, attempts were made to prohibit the earlier practice of contracting for the private conveyance of mail. In 1836, the power of the Postmaster General was significantly lessened, and decentralization made the postal service less a product of individual initiative, more the puppet of general bureaucratic policy. However, during the same year, the department was formalized as a cabinet agency of the government. Further restrictions on private involvement in the postal system were achieved in 1845 when the law prohibiting contracting for the private conveyance of mail was more strictly enforced. In 1864, the postal workers' salaries became fixed, and they were no longer paid on a commission basis. Thus, it became a government paid and subsidized department.

The history of the postal service in America is, in summary, a story of continuous federal control, first, by Great Britain, then, by the United States. Evolution took place not in the location of control, but in the degree of centralized federal regulation. In time it became one of the biggest businesses in the world with over 500,000 employees.[17] In addition, it had a continually growing operational loss of millions of dollars a day. Finally, just over a decade ago, the Congress established it as a federally-controlled semi-independent, business-like but non-profit corporation (type 2), with many characteristics of a type 3 enterprise. Because of its high costs and need for greater efficiency, it was changed from a politically-controlled government monopoly to this new status. In spite of regular efforts to change it back to type 1 status, it continues to operate in a much different manner—with less of a monopoly on delivery of all forms of communication and more influence from market forces.

Private Foundations

These exemplify type 3. F. E. Andrews' widely accepted definition describes one as a "nongovernmental nonprofit organization having a principal fund of its own, managed by its own trustees or directors, and established to maintain or aid social, educational, charitable, religious, or other activities serving the common welfare."[18] Normally, they receive their funds from a single well-to-do person or small group, and their activity or responsibility is "giving" rather than "doing." The U. S. Treasury specifically excludes churches and educational institutions from this group. Funds provided through foundation grants have been major factors in such diversified areas as the discovery of insulin and polio vaccine; parole reform; the control of tuberculosis, malaria, typhus, rabies, amoebic dysentery, yaws,

yellow fever and hookworm; the development of non-commercial public television, hybrid corn, and improved strains of rice; building and operating the Mt. Palomar telescope; and the building of thousands of city libraries and college buildings.

Private foundations, as we know them today, began in the 1800's, expanded significantly around 1900, and continue to grow in numbers today. It must be noted that many of them preceded the major federal corporate and income tax laws, and the incentives of their founders tended to be highly altruistic. According to Heiman Fritz, in 1800 what may have been the first United States foundation was the Magdalen Society of Philadelphia, a perpetual trust which exists today as the White-Williams Foundation. Its aims have been somewhat modified from those it was given in 1800, which were "to ameliorate the distressed condition of those unhappy females who have been seduced from the paths of virtue and are desirous of returning to a life of rectitude." After more than a century of patient attempts to keep going in the face of the chronic insufficiency of unhappy females desirous of rectitude and of the frequent intractability of those who did present themselves, the trustees voted in 1918 to broaden the work of the foundation.[19]

Perhaps the first of the modern foundations was the Smithsonian Institution in 1846. John Gardner characterized it as "preventative" rather than "palliative," and many later significant foundations took this "approach to human problems." [20] Of course, specialized foundations continue to be established and make up a significant percentage of the total. For example, the Mullanphy Fund, of 1851, was established in St. Louis to help pioneers on their way west.[21] In the late 1890's and early 1900's, the Carnegie and Rockefeller wealth became the basis for several major foundations and set a pattern which continues to this day.

How may foundations exist today? In 1970, William H. Rudy reported that the Treasury Department's list totaled 30,262, including the Harvard Glee Club.[22] The Foundation Center at that time reported 24,000.[23]

The Filer Commission reported in 1975 that "some 25,000 private grant-making foundations exist today with combined assets, it is estimated, of around $25 billion."[24] The actual number is hard to confirm since foundations dissolve, become inactive, or take varied forms. For example, some may be "corporate entities, others are trusts, and a few are mere associations."[25] In addition, foundations can be classified in five types:

- General or general research foundations;
- Special purpose foundations (such as the fund which provided for ". . . one baked potato at each meal for every girl at Bryn Mawr");
- Company foundations, designed for corporate giving;
- Family or personal foundations; and

- Community foundations, usually city-wide and combining funds from varied gifts and bequests.[26]

Foundations present very visible targets and have been the subject of frequent state and congressional committee study and evaluation. Major congressional or Treasury investigations have taken place in 1915, 1947, 1952, 1954, 1964, and 1968-1969, usually with support for the idea and their accomplishments but with restrictions on their operations. Former Congressman Wright Patman also made continuing studies during the decade of the 1960's, highlighting any abuses and placing considerable burdens on groups being investigated.[27] About half a million tax exempt organizations were screened between 1964-1967 as part of this investigation, and almost 10% of them were fully audited.[28] The Tax Reform Act of 1969 established a special 4% excise tax on net investment income of private foundations and special punitive taxes "for acts of self-dealing between the foundation and its contributors, failure of the foundation to distribute its income for exempt purposes, excessive foundation holdings in unrelated business enterprises, speculative investments that jeopardize the foundation's exempt purposes, and lobbying and other foundation activities that tend to influence elections and legislation."[29]

In addition to these federal controls, a number of states require registration of all foundations including New York with 25% of the total.[30] Orville Brim, Jr., past president of the Russell Sage Foundation, has pointed to the need for additional evaluation, both external and internal, of private foundations. He notes five levels of desired evaluative information, including:

Level I—Questions about specific projects. What actually happened during the course of this project or study or grant? Ordinarily this interest is sparked when it seems that one particular project turned out to be unusually good, or unusually bad and troublesome, in the eyes of the executive, or the trustees, or the grant recipients, or the constituency involved as might be true with schoolteachers, legal aid clients, or users of public libraries. The question is what actually happened—the who, what, when, where, and how, or the "who did what to whom?" type of inquiry.

Level II—Is a given project more successful than another of a similar kind?

Level III—Interprogram comparison constitutes the third level of information . . . the interprogram level of inquiry involves not just comparisons of existing programs, within a foundation, but paralleling the interproject analysis . . . whether the program it supports is superior to that program area the foundation has passed by.

Level IV—How do foundations compare with each other. Can it be said that one foundation is better than another? . . . There is then, enough variation in foundations, and enough competition for excellence among foundations so that if it were ever possible to sensibly

compare their relative achievements, the information yielded might prove revolutionary.

Level V—Finally, the fifth and most elevated level of information would demand a comparison between the foundation's goals and activities and those of other institutions, public and private, pursuing public good. Would funds now going into foundations, or currently administered by foundations, be better employed by operating philanthropies such as libraries, hospitals, or universities, or by public agencies such as social rehabilitation services, or the Office of Economic Opportunity, or the National Endowment for the Humanities? Are foundation goals better than or different from those of other institutions concerned with income redistribution, public education, provision of health services, maintenance of historical landmarks, or preservation of wilderness? Can foundations justify their survival as an institution in American society on the basis of comparision with alternative uses of the foundations' assets?[31]

In order to answer such questions, Pifer has suggested that a group of "independent foundations" might develop what amounts to an accreditation system based on membership criteria. By expanding the functions of the Council on Foundations it could ". . . develop a code of good foundation practice as a basis for membership in it and the Library Center might make its studies and publications more pointedly critical of certain foundation practices." In addition he suggests the following:

> *Perhaps all foundations over a certain minimal size should be required by law to publish a comprehensive annual report for distribution to the public. Perhaps the foundation field itself should set up an independent commission to review the present state of the field and make recommendations as to how foundations might more effectively serve the public interest. The purpose of such an equity would not be inquisitorial, although the commission should not shrink from calling attention to wrongdoing where found, but a constructive effort to help foundations attain the highest degree of social value of which they are capable. These and other ideas should be given serious consideration by all who value foundations. For otherwise that great social invention which has done so much for American life and, indeed, for mankind over the past half century may find itself first fettered and then destroyed by a society which has lost faith in it. It has happened to social institutions before.*[32]

American Telephone and Telegraph Company

AT&T is a type 5 organization which, unlike the postal service, originated as a private enterprise, primarily controlled by market forces. However, by the mid-twentieth century, it and its subsidiaries were brought under the restraints of governmental regulatory commissions.

Its escape from federal confiscation or more severe government regulation was a matter of timing, demonstrated efficiency, proven reliability and public perceptions of costly government operations.

The development of the American Telephone and Telegraph Company and its relationship to the federal government also was influenced by the British example. Although the British government took over the telephone system in 1912 and this became a possible model it was not followed in the U.S.[33]

Anti-trust actions against AT&T, particularly in 1913, 1949-1956, and 1974, repeatedly resulted in little more than limited regulation. Perhaps one of the important deterrents to stricter federal control was th role of AT&T during World War I. For a brief period, the federal government assumed control of the communications network. In reality, they had control on paper, not in fact. During this period, however, most of the properties operated at a deficit. Whether this can be judged as an illustration that government operation would result in a deficit is debatable. As a result, nonetheless, talk of government ownership was subdued.

The 1956 decree was also crucial in the debate over government ownership. It was arrived at after seven years of debate. The decree essentially ". . . put the stamp of the law on the Bell system as it was."[34] The Bell system was seen as being satisfactory under the Sherman Act.

Thus, AT&T has remained relatively independent from direct federal control, while submitting to limited federal regulations, plus state regulations for its various regional companies. Appraisal of the overall structure, thus, is by Congress and state regulatory commissions. In addition its three million shareholders expect it to operate at a profit. The Justice Department antitrust suit filed in 1974 drags on and an integrated national system still operates. Congress in 1980 is considering changes in regulations under which AT&T operates which may allow it to enter further into the computer-based communications technology field. A proposed Telecommunications Act of 1980 would deregulate some of its operations while allowing it to enter the data processing field. In a national research and business service of this type, serving all of the people all of the time, the biggest company is evaluated and controlled ultimately by elected representatives of the people at large, through Congress, and through court decisions.

DEVELOPMENT OF VOLUNTARY EDUCATIONAL ASSOCIATIONS AND ACCREDITING ACTIVITIES

Voluntary educational accreditation (an excellent case example of type 4) began in the last quarter of the 19th century as a result of the unevenness of quality and widespread chaos in high school and collegiate education. Selden graphically summarized the situation:

> *The panorama of collegiate education at the turn of the past century presents a scene of active confusion: students being enrolled in increasing numbers from more secondary schools by institutions being founded at a rapid rate—normal schools, teachers colleges, junior colleges, technological institutes, schools of art, conservatories of music, professional schools, liberal arts colleges, universities—offering courses from agriculture to zoology. All this, but with no commonly accepted academic standards or admission requirements, and even no common definition of a college.*[35]

A few examples illustrate the needs, and the actions taken. During the late 1860's great concern developed at the University of Michigan, as well as other institutions in the midwest, regarding the lack of preparation of high school students for higher education. When James Burrill Angell became President of the University of Michigan he pushed through in 1871 a program of inspection of high schools and "admission by diploma" for graduates from high schools which had been inspected by a "visitor" from the University faculty.[36] The famous Kalamazoo case, in 1874, declared public high schools constitutional and made it legal to assess taxes for their support.[37] John Eaton, Commissioner of Education, had reported in 1873 that "at least 75% of the students in the West and in the South must have been prepared for college by the colleges themselves in their own preparatory departments.[38] This situation, plus the Kalamazoo Case, led to the establishment of many more high schools. In New England in the 1880's leading headmasters and principals felt that ". . . if the secondary school personnel in New England could meet and discuss problems occasionally with college leaders (mostly related to confusion in admissions practices) a better relationship between them could be achieved." Charles W. Eliot of Harvard agreed and the New England Association of Colleges and Secondary Schools was founded for this purpose in 1885.[39] Shortly thereafter, in 1887, the Middle States Association of Colleges and Schools was organized. Both the North Central Association of Colleges and Secondary Schools and the Association of Colleges and

Secondary Schools of the Southern States followed in 1895, with college accrediting standards adopted in 1910 and 1919 respectively. The original call for a meeting of southern educators from Cancellor J. H. Kirkland and the faculty of Vanderbilt University is particularly instructive as an example of the way a group gathered voluntarily to consider a problem and took it upon themselves to organize and solve it.

The Association was organized in the autumn of 1895 at Atlanta, Georgia, at a meeting of delegates from a number of southern colleges and universities. Invitations to this meeting had been sent out by a committee appointed by the faculty of Vanderbilt University. The purpose of the meeting, as stated was to:

- Organize southern schools and colleges for cooperation and mutual assistance.
- Elevate the standard of scholarship and to effect uniformity of entrance requirements.
- Develop preparatory schools and cut off this work from the colleges.

On this basis an organization was effected and a constitution and by-laws were adopted. The following institutions were the charter members: Vanderbilt University, University of North Carolina, University of the South, University of Mississsippi, Washington and Lee University, Trinity College. Chancellor J. H. Kirkland was the first Secretary and Treasurer and served in this capacity until 1908.[40]

In the official history of the Association, Agnew has emphasized further that:

> *Throughout the South there were private academies and "colleges," most with inadequate faculties and ill-defined curricula. Many college students were at the "preparatory level." From this educational anarchy the Southern Association sought to bring about order by defining the difference between preparatory schools and colleges. The major thrust of the Association for the first fifteen years was to establish requirements for graduation from secondary schools and to establish admission and graduation requirements for colleges and universities.*[41]

The Northwest Association of Schools and Colleges was formed for similar purposes in 1914 and established formal institutional accrediting standards in 1921.[42] The Western College Association, however, when started in 1924 in California, was primarily a group interested in preserving and discussing liberal education. Only after World War II did the association expand its functions and membership to include accrediting activity. In the meantime many California institutions were members of and accredited by the Northwest Association well into the late 1950's. The University of California, through its Office of Relations with Schools, set standards for secondary schools and junior colleges. In addition it served as a secretariat for the annual "articulation" conference to work out admission standards, student transfer arrangements and program evaluations between all forms of

public secondary and higher education in the state.

Clearly, at the same time that the federal government began to establish formal regulatory commissions (the Interstate Commerce Commission, 1887, the Federal Trade Commission, 1914, and the Federal Power Commission, 1920), voluntary, nongovernmental associations developed to bring order and standards to our expanding secondary and higher education institutions.

Associations in specific academic disciplines grew up even earlier than the regionals, with the American Medical Association starting as early as 1847. Few states had licensing systems for doctors and many medical schools started up. By the 1900's the need for standards was critical and the AMA's Council on Medical Education independently, in 1905-1907, inspected and classified 160 of them. The famous Flexner study of 1910-11 followed (financed by the Carnegie Foundation for the Advancement of Teaching, at that time a recently founded non-profit trust organization). By 1915 almost one-half of the early medical schools had closed.[43] The AMA also organized attacks on the sale of medical diplomas in 1920.[44]

Many other discipline-oriented professional associations followed this same track, from architecture to veterinary medicine. Although federal and state governments, and associations of university presidents, often put roadblocks in their way, forty such voluntary groups were listed (recognized) by the National Commission on Accrediting in 1973-74.[45] The National Commission on Accrediting itself was a voluntary organization of university presidents formed in 1949 because of grave institutional concerns about the expansion of such associations and their costs for membership and the resulting accreditation.

Many other voluntary groups have been active during the past century in some form of listing or accrediting activity. The American Association of University Women began in 1882 and until 1963 inspected and listed those institutions in which standards were considered satisfactory for their graduates to merit membership in the association. In 1904 the Univerity of Berlin used the very limited membership of the Association of American Universities as a list from which to accept graduate work from the United States. In 1914, and until 1948, the AAU published its own list of "accredited" institutions, based originally on the records of recent transferred students at AAU institutions.[46]

After 1923, inspection visits by the AAU as a basis for inclusion on its approved list also were used until the task of making the list became too much of a burden. The AAU voluntarily gave up the entire listing process in 1948, leaving a genuine void. It was after this action that the Western College Association in 1949 changed its name to the Western Association of Schools and Colleges and became a formal body involving accreditation with membership. In addition other regional and professional associations stepped up their work in accreditation areas.

A number of other non-profit, voluntary organizations have developed specialized lists, over the years, and various groups, including the

U.S. government have used them. One of the first lists came from the Carnegie Foundation for the Advancement of Teaching, a newly created non-profit trust, which in 1905 had to adequately define a "college" in order to establish a pension system for college teachers.[47] The Foundation adopted the criteria used by the New York Regents, plus a requirement that no denominational tests be applied to the choice of students, teachers, officers or trustees. Only 70 public or private colleges qualified at that time but the list was used for years as one basis for listing in the federal directory, **Higher Education and Accredited Higher Institutions,** which was published from 1917 to 1965. Other lists from voluntary groups which were used for this same purpose included at various times the Association of American Colleges, the education boards of the Methodist, Episcopal, Presbyterian, United Brethren in Christ, and the Roman Catholic churches.

After the Association of American Universities stopped its "listing" activities, the regional associations banded together in 1949 in their own voluntary organization, the National Committee of Regional Accrediting Agencies. It carried on informal cooperative activities and issued its own annual list of regionally accredited institutions. In 1964, it was replaced by a similar voluntary organization known as the Federation of Regional Accrediting Commissions of Higher Education (FRACHE). This organization developed a number of suggested statements in policy areas that affected each of the regional associations but it failed to totally adjust and harmonize differences in regional standards. It did set up a national office next to the National Commission on Accrediting in Washington, D.C. and the two organizations worked together on various projects related to accreditation.

Finally, in 1975, the NCA and FRACHE dissolved and their members became part of a new, enlarged, voluntary organization, The Council on Postsecondary Accreditation. Other constituent organizations and associations included in the new council were the: (1) American Association of Bible Colleges, (2) Association of Independent Colleges and Schools, (3) National Association of Trade and Technical Schools, and (4) the National Home Study Council. It was supported also by (5) the American Association of Community and Junior Colleges, (6) the American Association of State Colleges and Universities, (7) the American Council on Education, (8) the Association of American Colleges, (9) the Association of American Universities, (10) the Association of Urban Universities and (11) the National Association of State Universities and Land Grant Colleges. In addition, public board members are selected with due consideration to recommendations from such organizations as the Education Commission of the States and the Association of Governing Boards of Universities and Colleges. As a result of this wide umbrella of membership, COPA may well be the most representative voluntary education organization that has ever existed. Truly, it provides a central focus for all accreditation efforts and a counterbalance for increasing governmental activity in this field.

In a century of effort by voluntary accreditation associations the goals have expanded greatly. The Council on Postsecondary Accreditation lists the following major current goals:

- Foster excellence in postsecondary education through the development of criteria and guidelines for assessing educational effectiveness;
- Encourage improvement through continuous self-study and planning;
- Assure the educational community, the general public, and other agencies or organizations that an institution or program has both clearly defined and appropriate objectives, maintains conditions under which their achievement can reasonably be expected, appears in fact to be accomplishing them substantially, and can be expected to continue to do so;
- Provide counsel and assistance to established and developing institutions and programs;
- Encourage the diversity of American postsecondary education, and allow institutions to achieve their particular objectives and goals; and
- Endeavor to protect institutions against encroachments which might jeopardize their educational effectiveness or academic freedom.

Accreditation is only one of the dozens of non-profit, tax-exempt, voluntary public service areas described in the previous section. However, as the United States becomes an advanced service economy increasingly dependent on well-educated professionals for its growth, the third sector, epitomized by COPA and its thousands of voluntary constituent organizations and institutions, represents a critical mass on which the entire society must rely.

VOLUNTARY ENTERPRISE ACCREDITATION AND CHANGING FEDERAL RELATIONSHIPS

Relationships between the federal government and the voluntary third sector have changed significantly in the period since educational accrediting started. Many of the diverse social and cultural needs which first began as "charity" or as social causes (such as free public schools, free libraries, hospitals, scientific research, symphony orchestras, special youth detention centers, and fire departments) now are primarily or completely paid for by government. The need for support of additional government services led to a search for new taxes in the first decades of the century. The availability of new tax sources and increasing tax funds has led in turn to the continuing expansion of government support of social, cultural and scientific services. Since the middle 1930's, former state or voluntary association programs have progressively gravitated toward national focus and federal funding. In many cases, voluntary enterprise demonstrated the needs but lacked funds to meet them satisfactorily or totally, and federal programs developed to care for them. A good example comes from the medical area. According to the Filer Commission report, in 1930, federal, state and local governments together spent about as much as private sources in the area of medical research and health facility construction. By 1973, government was spending three and a half times as much, and this in a health field where private philanthropy has maintained one of its strongest thrusts. In medical and health spending as a whole, the change has been even greater. In 1930, the federal government was spending only 15 per cent more than private philanthropy. In 1973, it was spending nearly seven times as much.[48]

The Filer Commission in 1975 reported another, possibly even more significant, development. By 1974, government itself was "contributing" (i.e. buying or contracting for services) . . . "about $23 billion to non-profit organizations, compared to $25 billion from private giving." Along with these funds, the Commission noted:

This trend poses a major dilemma. On the one hand, government money is needed and may even be a matter of life or death for many organizations as the amount of their private funding has advanced slowly or even declined. On the other hand, government money comes with strings attached however invisible or unintentional they may be. The more an organization depends on government money for survival, the less "private" it is, and the less immune to political processes and priorities.[49]

From another point of view, changes in federal social and tax policies affect seriously the expenditure patterns of higher education institutions. Charles Saunders, formerly an influential federal employee and now a key ranking administrator of the American Council on Education, has emphasized this change.

> *The gradual shift of federal tax policy from taxing income to taxing employment in the last 15 years has significantly depreciated the imputed tax advantage that colleges and universities have historically received from their nonprofit status. The change has not happened as a result of any deliberate policy decision to dilute the tax advantage of nonprofit institutions; it has just come about gradually over the years, as federal budget receipts derived from taxes on employment have doubled from 15 per cent to 30 per cent and an array of federally mandated social programs are imposing cumulative costs of growing significance on colleges and universities. The costs of compliance with improved standards of employee safety and health, promulgated by the U.S. Occupational Safety and Health Administration are estimated to be over $3 billion. The costs of other programs may be no less considerable, though less direct . . . federal programs have costs which should be recognized, but which are seldom considered by Congress, and which are virtually impossible to estimate in advance.*[50]

Likewise, the federal government adopted the tax-exempt foundation form of organization as a desirable way to contract for services and emphasize particular areas. A prime example is the National Science Foundation[51], founded in 1950 with a small appropriation, and now purchasing around a billion dollars worth of scientific research services a year. The National Endowments for the Arts and Humanities, founded much later and also with very small appropriations, have expanded rapidly to current budgets totalling over $150 million. Between 1961 and 1971, in the human services area alone, federal expenditures more than quadrupled from $3.5 billion to $15.3 billion while private foundations' expenditures increased from $218 million only to $673 million.[52] Clearly, excluding the field of religion which is constitutionally closed to the federal and state governments, many former aspects of third sector operation have been pre-empted by government agencies, primarily federal.

The states have been responsible for the great expansion of public higher education, since education is reserved to the states or their citizens. However, through gifts of federal land, plus its taxing and funding powers, the federal government has encouraged selected developments in higher education. Conditional gifts of land to the states provided the original funding base for the "land grant" colleges of 1862 and 1890. Tax deductions for contributions to educational organizations such as colleges and universities have encouraged private, and some public institutions. The governmental purchase of educational, social, research and developmental services from educational institutions has become a very significant proportion of the work of many

government agencies and of the budgets of many collegiate institutions.

Voluntary nonprofit accreditation, which developed to serve the needs of educational institutions, has proved to be a very high quality and low cost way for state and federal governments to establish the educational quality of institutions. It has served very well to determine, at an initial level, those institutions from which to buy services. The states have found it invaluable to use as a satisfactory base for screening persons applying for licensing examinations. In states which contract with private institutions for degree graduates in various fields (for example, New York, Wisconsin and Minnesota) accreditation is a basic premise of the contractual system. At the federal level many veterans of the last three major wars have been certified to receive their post-war educational benefits primarily at institutions which are accredited members of voluntary associations. The State Approving Agencies, set up by the states, but paid for by contracts with the Veterans Administration, have approved some substandard institutions during the past 30 years, but their reliance on lists of accredited members of these voluntary associations has been remarkably successful.

In 1952, the Congress, determined to correct some flagrant abuses of the original G.I. Bill, passed Public Law 82-250, in which Sec. 253 stated that:

> *For the purposes of this Act the Commissioner shall publish a list of nationally recognized accrediting agencies and associations which he determines to be reliable authority as to the quality of training offered by an education institution. . . .*

Finkin, in his further analysis of this legislative action, has written that it was based on three similar assumptions:

> *First, the statute assumed that "nationally recognized accrediting agencies" existed and were of sufficient reliability that state government could permissibly piggyback its own approval of courses upon private agency's decision-making processes. Second, reliance upon private determinations of educational quality would obviate the threat of federal control of education. Third, the role of the Commissioner of Education in determining that such nationally recognized agencies were of sufficient reliability would be essentially ministerial.*[53]

In the three decades since the passage of this act, major changes have taken place in regard to federal relationships to higher education, much of it since 1965. As Kaysen has pointed out, "They are: first, and most obviously, the growth of federal regulation applicable to and applied to colleges and universities; (and) second, shifts in the magnitude and character of federal funding for higher education."[54] He further reported that:

> *In 1977, the dollar value of all kinds of federal support for colleges and universities amounted to between an eighth and a sixth of their aggregate current fund revenues. The corresponding share for the states—the major supporters of the public institutions—was about*

one-third. Federal expenditures for the support of academic science in that year were $3.8 billion. This was 75 percent of all expenditures for scientific research at universities and colleges, and nearly 9 percent of their total current fund expenditures in that year. Expenditures for student aid by the Office of Education, the Social Security Administration, and the Veterans Administration totaled nearly $7 billion. Most of this money goes to students, not institutions. A substantial part, but not all of it, returns to institutions as tuition, fees, room, and board. Aggregate current fund revenues from tuition, fees, room, and board in 1977 was $14 billion for all of higher education. Assuming that only 50 percent of the federal student aid returned to the institution and the remainder went to nonacademic providers of subsistence and other needs, such as books and transportation, this means that 25 percent of tuition, fees, room, and board was financed from Washington. Furthermore, nearly 40 percent of all enrolled students received some form of federally-financed aid, and for some large fraction of these, aid was crucial to the decision to attend.[55]

The functions of accreditation, in such a milieu, have been expanded materially insofar as the federal government is concerned, and nine are stated as follows, in the Office of Education's November, 1979 list of Nationally Recognized Agencies and Associations:

1. Certifying that an institution has met established standards;
2. Assisting prospective students in identifying acceptable institutions;
3. Assisting institutions in determining the acceptability of transfer credits;
4. Helping to identify institutions and programs for the investment of public and private funds;
5. Protecting an institution against harmful internal and external pressures;
6. Creating goals for self-improvement of weaker programs and stimulating a general raising of standards among educational institutions;
7. Involving the faculty and staff comprehensively in institutional evaluation and planning;
8. Establishing criteria for professional certification, licensure, and for upgrading courses offering such preparation; and
9. Providing one of several considerations used as a basis for determining eligibility for Federal assistance.

Kenneth E. Young has pointed out that about 400 federal programs deliver funds either directly to higher education institutions or indirectly through the states to their students. This occurs from and

through a wide variety of federal agencies. Around 30 programs, or 7-8% of the total, are in the Department of Education.[56] Some agencies depend on lists from voluntary accreditation associations while others establish their own lists. Examples of the latter are the Bureau of Indian Affairs with its "feasibility" study teams and the Federal Aviation Agency with its own flight school approval process.

Another facet of this developing problem area was considered by David A. Trivett in an extensive study of accreditation and the federal use of its taxing and spending powers in the area of higher education. Eventually he traced the basic difficulty to the ". . . absence of clear authority for the federal government to spend money for education, and a subsequent inability to regulate those expenditures."[57] Of course, this is not confined to the education field alone. Joseph Califano, when he was the Secretary of Health, Education and Welfare, reported a "rip-off" of $7 billion from the Department budget of 1978 (much of it not from education), and only the "hope" of cutting it down to a $4 billion loss with the new tighter controls he proposed. Trivett went on to conclude:

> *It is hard to understand why accreditation is involved at all in the eligibility decision. It is an anachronistic use of a system that perhaps provided legitimacy to decisions in the past, but now does not accommodate the much broader concept of postsecondary education in use today. . . . If accrediting organizations were out of the eligibility relationship, they could concentrate on identifying what they do accomplish in the way of institutional and program self-improvement, since they are nongovernment organizations with the interest of their members at heart.*[58]

IN SUMMARY

In spite of such concerns and judgments, voluntary non-profit accrediting associations continue to perform their institutional standards functions. Literally thousands of volunteers serve on review committees every year and provide this vital social service at a very low cost. Institutional self-study and self-improvement continue to take place; students, private foundations, licensure agencies and both state and federal agencies use the results.[59] Accrediting associations continue also to protect institutions, as they have for some 50 years, from outside political pressures. Many new accrediting associations have established themselves, particularly in the increasingly complex allied health services field. The Council on Postsecondary Accreditation itself is only five years old and already occupies a significant national policy position.

The entire voluntary sector also continues to adapt to changing needs and growth in numbers. For example, thousands of new environmental conservation groups have started in the past decade. The Coalition of National Voluntary Organizations and the National Council on Philanthropy have recently merged and in 1980 formed a new voluntary nonprofit organization called "Independent Sector." Its purpose, according to former HEW Secretary, John Gardner, one of its key organizers, is to concentrate on public education about this little known part of American society and to emphasize its uniqueness, importance, and diversity.[60] He feels that "conserving and enhancing" independence is of ultimate importance. The committee felt it should declare "independence" in every way, including making it a part of the organization's name.

Alexis de Tocqueville would feel fully vindicated for this judgment he made 150 years ago:

> *An association for political, commercial, or manufacturing purposes, or even for those of science and literature, is a powerful and enlightened member of the community, which cannot be disposed of at pleasure or oppressed without remonstrance, and which, by defending its own rights against the encroachments of the government, saves the common liberties of the country.*[61]

NOTES

[1] Arnaud C. Marts, *Philanthropy's Role in Civilization*, (New York; Harper and Bros., 1953) p. 5-12, 37-38.

[2] Jack C. Ross, *An Assembly of Good Fellows: Voluntary Associations in History*, (Westport, Connecticut; The Greenwood Press, 1976) p. 135-250.

[3] Alexis de Tocqueville, *Democracy in America, Vol. II*, (translation by Henry Reeve, original publication in 1840), (New York; Alfred A. Knopf, 1946) p. 106.

[4] Fred F. Harcleroad, *Educational Auditing and Accountability*, (Washington, D.C.; Council on Postsecondary Accreditation, 1976) p. 5.

[5] Oliver M. Carmichael, Jr., *New York Establishes a State University*, (Nashville, Tennessee; Vanderbilt University Press, 1955) p. 2-4.

[6] Harold Orlans, *Private Accreditation and Public Eligibility*, (Lexington, Mass.; D.C. Heath and Co., 1975) p. 9.

[7] Arnaud C. Marts, *Philanthropy's Role In Civilization*, (New York; Harper and Bros., 1953) p. 182, 187.

[8] Marion Fremont-Smith, *Philanthropy and the Business Corporation*, (New York; Russell Sage Foundation, 1972) p. 4-5.

[9] Burton A. Weisbrod, *Toward a Theory of the Voluntary Non-Profit Sector in a Three Sector Economy*, Reprint No. 152, (Madison, Wisconsin; Institute for Research on Poverty, University of Wisconsin, 1975) p. 185-6.

[10] Clarence F. McCarthy, *The Federal Income Tax*, (Englewood Cliffs, New Jersey; Prentice-Hall, Inc.), p. 3-6.

[11] Ibid., p. 3-7.

[12] Bradley Graham, "The Non-Profit Economy," *Washington Post*, Sunday, March 11, 1979.

[13] Commission on Private Philanthropy and Public Needs (John H. Filer, Chairman), *Giving in America: Toward a Stronger Voluntary Sector*, (1975), p. 11-18.

[14] Fred F. Harcleroad, *Education Auditing and Accountability*, (Washington, D.C.; Council on Postsecondary Accreditation, 1976), p. 5.

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[18] From F. Emerson Andrews, *Philanthropic Foundations*, (New York; Russell Sage Foundation, 1956), quoted in Fritz Heiman (editor), *The Future of Foundations*, (Englewood Cliffs, New Jersey; Prentice-Hall, Inc., 1973), p. 10.

[19] Fritz Heiman (editor), *The Future of Foundations*, (Englewood Cliffs, New Jersey; Prentice-Hall, Inc., 1973), p. 13.

[20] Milton Katz, *The Modern Foundation: Its Dual Character, Public and Private*, (New York; Foundation Library Center, 1968), p. 8.

[21] Joseph C. Kiger, *Operating Principles of the Larger Foundations*, (New York; Russell Sage Foundation, 1954), p. 27.

[22] William H. Rudy, *The Foundations: Their Use and Abuse*, (Washington, D.C.; Public Affairs Press, 1968), p. 3.

[23] Arnold J. Zwicher and Jan Dustan, *The Foundation Administrator*, (New York; Russell Sage Foundation, 1972), p. 3.

[24] Commission on Private Philanthropy and Public Needs (John H. Filer, Chairman), *Giving in America: Toward a Stronger Voluntary Sector*, (No publisher listed, 1975), p. 64.

[25] Arnold J. Zwicher and Jan Dustan, *The Foundation Administrator*, (New York; Russell Sage Foundation, 1972), p. 2.

[26] Fritz Heiman (editor), *The Future of Foundations*, (Englewood Cliffs, N.J.; Prentice-Hall, Inc., 1973), p. 17-18.

[27] F. Emerson Andrews, *Patman and Foundations: Review and Assessment,* (New York; The Foundations Center, 1968), p. 6-55.

[28] Ibid., p. 45.

[29] Clarence F. McCarthy, *The Federal Income Tax,* (Englewood Cliffs, N.J.; Prentice-Hall, Inc., 1978), p. 3-7.

[30] Alan Pifer, "Foundations at the Service of the Public," reprint from the *Annual Report of the Carnegie Corporation of New York,* (New York, 1968), p. 7.

[31] Fritz Heiman (editor), *The Future of Foundations,* (Englewood Cliffs, N.J.; Prentice-Hall, Inc., 1973), p. 220-223.

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[35] William K. Selden, *Accreditation: A Struggle Over Standards in Higher Education,* (New York; Harper and Bros., 1960) p. 28.

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